In reply references.

1912-13

(Sep. Rev.)

File No. 148-12

Serial Nos. 1-12.

101

GENERAL AND ~~REVENUE~~ SECRETARIAT.

Serial Nos. 1-12

Part B. for August 1913

SUBJECT.

Liability of foreign liquor to taxation in Mysore and the position of English and Country beer in the State.

From the A.A. Resident in Mysore No 1-C/1167 dated 2-12-12.

With reference to his D.O. No 116 dated 21-10-12 regarding taxation of beer in the Mysore State forwards a copy of a letter from the Bangalore Brewery Co and requests to be informed whether there is any difference in the treatment of English and Country beer.

2 To The Excise Commissioner No 3379 dated 13-12-12.

Forwards copy of letter received from the Bangalore Brewery Co's Agents with special reference to the difference if any in the treatment of English European and country bottled beer in the State.

G.R. No. 59

3. From the Excise Commissioner No 3201 dated 9-1-13.

Forwards his opinion on the position which foreign and country beers occupy with reference to certain provisions of taxation

[illegible] regarding the [illegible] quantities of foreign liquor bottles in foreign liquor shops in the State during the last 3 or 4 years to furnish information regarding the proportion which these two kinds of liquor bear to the total quantity on which surcharge fees were realized.

(No. 5) A Resident in Mysore. No 840 dated 1-4-13

States the position in which the two licensees and the Bangalore Brewers are not at a greater disadvantage than the foreign beer importers

(No. 6) A Resident in Mysore. No 2149 dated 5-4-13

States that the question of levying surcharge has not been considered, that European bottlers been receiving more advantageous treatment than the foreign liquor shops are concerned and it is necessary to state that equal treatment is given for the sale of beer both in bottle.

The Asst to the Excise Comm. No 7892 dated 18-4-13

Forwards a statement showing the quantity of foreign beer sold with the amount of surcharge realized thereon.

The Excise Comm. No 6158 dated 28-4-13

Observes that from the information given in Sl 3 it is clear that European bottled beer receives more advantageous treatment than Bangalore bottled beer and requests him to furnish his further opinion in accordance with the Excise Comm in Mysore No 8269 dated 2-5-13

Explains that the distinction pointed out between Bangalore and foreign beer exists, points out how it is stated that no equal treatment is possible under the existing Regulations and rules

The Excise Comm - No 6901 dated 26-5-13

States that it appears to you that the difficulties arise owing to Bangalore beer allowed to be sold in foreign liquor shops and the withdrawal of the concession may put Bangalore and foreign beer on an equal footing calls for his opinion on the proposal

G.R.S. 11]

1912-3

GENERAL AND REVENUE SECRETARIAT.

(S. R.)

NOTES

File No. 48-17

FILE HEADING.

Liability of foreign liquor to taxation in Mysore & the position of English and Country beer in the State

—

From

No.	Dated	Received

Enquiry No.	Enclos.	Spare Copies.	Serial No.

BRIEF ABSTRACT OF LETTER.

NOTES AND ORDERS.

NOTES—First Sheet.

GPB—35,000—15-6-13

G. R. S 12]

General and Revenue Secretariat.

[illegible] 191

Serial No.

SA 148-12

Fl/Rys/1059-14

D. O. No. 311/En 1

Cunnalasvamy
Fern Hill
4 May 1912

My dear Sir

I enclose copy of [illegible] about the [illegible] Hr Sir Stephen Daly has left with me for [illegible] relating to alleged claim of the Rayan Durbar to impose an import duty on Foreign Liquor. I think the Latter has

NOTE—Contn. sheet.

GPB—50,000—20-1-12

~~Home Dept 4~~ SR 148-12 (2)

LIABILITY OF FOREIGN LIQUOR TO TAXATION IN MYSORE.

****

Z
Rein 8Rh 124-10 In February 1911 the Durbar were asked to consider the propriety of extending to Bangalore beer (now treated as foreign liquor) the immunity from import duty allowed in the case of all classes of duty-paid foreign liquor exported from British India into the Mysore State. The Durbar replied that both country beer and English draught beer were placed on a footing of equality. It was thereupon pointed out that all import and export duties having been abolished in 1865, English beer could be imported into the State free of duty while a tax of 3 annas a gallon was leviable in Mysore on beer manufactured in the country; and information was asked as to how these two kinds of beer were in practice dealt with in the State. The reply furnished to this enquiry shows:-

Y
8(6) 8Rh 124-10

X
8(7) in 8Rh 124-10

IV
8Rh 124-10 that prior to 1910 no duty was charged on English beer, but a surcharge fee of Rs.30 for every 250 gallons or fraction thereof, sold in excess of 500 gallons, was being levied, while country beer paid a duty of Rs.7-2-9 per hogshead; and

that, in 1910, on the representation of the Excise Commissioner that the license holder for the sale of the country beer was working his tavern at a great disadvantage owing to the extremely favourable position of the licensee of the English beer tavern, a change was introduced by the levy of a duty of fee of Rs.7-2-9 on every hogshead of English beer sold in place of the surcharge fee.

V (R.R 1-64)
Rein 8Rh 124-10
Mss.

It was argued by the Durbar that the correspondence in 1864-65, which led to the abolition of export and import duties in Mysore, contained no specific reference whatever to the taxation of liquor and related entirely to timber and other similar articles forming the material

of ordinary trade.

2. The question thus raised is whether foreign liquor, which has paid duty at tariff rate at a customs port in British India, is liable to further taxation in Mysore. ✓

3. Under the late Maharaja Krishnaraja Wadiyar's administration, sayar or customs was classed under the head of

(a) Transit duties on goods passing along all roads,

(b) duties on goods produced or manufactured in the country, levied previous to their export,

(c) duty on goods levied at the time of sale.

At the time of the assumption of the administration by the British Government in 1831, 537 articles of local produce or manufacture were thus excisable. In 1836 several changes were effected. All articles of European manufacture, which previously paid heavily, were exempted from any further imports and were declared free throughout the Province. The number of other excisable articles was also gradually reduced, to 24 in 1860 and to 10 in 1864.

4. In 1864 the Madras Government brought to notice that a duty had been levied by the Mysore Government upon certain timber intended for railway use which had passed through the province. They mentioned that several other articles were liable to transit duties when introduced into Mysore for local consumption. Explanation having been called for, Mr. Bowring, the Chief Commissioner of Mysore, submitted a report in August 1864, indicating the action taken by him in reforming the excise and transit duties in the State, comparing the Mysore tariff with the customs duties levied on the sea-board of British India, and claiming a share for Mysore in the revenue derived from those duties on the analogy of the German Zollverein.

The Government of India, however, did not agree with

Mr. Bowring and ordered the abolition of the duties levied on the commerce between Mysore and Madras. A notification was thereupon issued by the Chief Commissioner on the 26th October 1864 directing the entire and absolute relinquishment of all expert and import duties between the Province of Mysore and the surrounding Districtsof Madras Territory, sayar being retained only on 10 articles produced within the Province and intended for home consumption.

5. It will thus be seen that, so far back as 1836, all articles of European manufacture were declared free from taxation in Mysore; that there was therefore no need for any specific reference to the taxation of liquor in the correspondence of 1864-65; and that the general terms of the Chief Commissioner's notification of 1864 covered import duties in respect of all articles brought into Mysore. In 1905 the Durbar admitted that no import, export, or other transit duties were levied in the State and that foreign liquors imported into the State were not subject to any further duty.

6. There is another point which may be brought to notice in this connection. The fact that no duty was levied in Mysore on imported foreign liquor consumed in the State was urged by the Durbar in 1895 as one of the factors calling for consideration in connection with the amount of subsidy payable by the State; and the Government of India replied that, in fixing the subsidy payable by Mysore at 35 lakhs, due allowance was made for the excise revenue furnished by the State to the Imperial Exchequer. Such being the case, the orders of the Durbar issued in 1910, in so far as they tend to discourage the importation of foreign liquor into the State by subjecting it to further taxation in Mysore, seem to have ignored this previous correspondence.

7. In these circumstances it is submitted that the

SA/148-11 ~~Home Dept~~ (5)

action of the Durbar in levying a duty on English beer is contrary to long established usage and the definite orders of the Government of India, and as it makes a material change in the system of administration as established in 1881, the previous assent of the Governor General in Council seems necessary under Article 20 of the Instrument of Transfer. It may be added that in September 1907, the Government of India issued a circular asking that any change in the system under which import and export duties are levied should be intimated to them.

"Copy"

C. Sivaramamurti

Under Secretary on duty with

the Dewan.

8/12

G. R. S. 12]

General and Revenue Secretariat.

8M 148-11
~~Appeal~~ File No. 1057 of 1914

Serial No.

Ruled

(5) The Office note of the Residency has been fully referenced & all the points noted up.

(6) Copies of the Excise Regn. ~~corrected upto~~ & the Foreign liquor rules, corrected upto date are also noted up

11 & 12

(7) Reference is also solicited to the discussions contained in 8M. Files.

P
6
N/S
2

~~87-09~~
~~80-09~~
~~167-09~~ & also 8s 9 & 14.
~~134-09~~

(8) The Excise Comr. may perhaps be in a better position to give a definite ~~decision~~ opinion on all the points urged in the note of the Resi. dency if the file is sent to him unofficially with all the references noted up. instead of sending him only a copy of the said note. as ~~directed~~

NOTE.—Contn. sheet.

(7)

[G. R. S. 12]

General and Revenue Secretariat.

~~H Misc 1059 of 1914~~ SR 648-12

File No.

Serial No.

by the 2nd. Councellor

Dec 50 (Rev 19)
8/5/12

Rec 9/5/12

(9) Forwarded Hd Excise Commr for favour of opinion.

(10) The file may kindly be regarded as very urgent and strictly confidential

B.O.

S Bengamanya

for Secy to Govt
I.R. Depts.

9/5/12 No 9634

With enclosures as per margin

(11) I have seen through this subject carefully. The "duty" Rs. 5 taken credit for herein, is apparently a misnomer, & misunderstanding having unfortunately arisen by a low official's note and "duty" as for which Rs have been & is demanded as here "Exchange fees". Where to withdrawal the existing Petrol licence fee, visited I sanctioning & privilege

9.C.No. 181 of 1911-12.

9/5/12

14/6

NOTE.—Contn. sheet.

GPB—20,000—20-1-12

G. R. S. 12]

General and Revenue Secretariat.

File No. 168 of 1912

Serial No.

8

of having to fixed a minimum scale of duty, & in order to avoid undue loss of Rev: added a scale of "surcharge duty" for quantities used over & above the prescribed minimum consumption. This 'surcharge duty' is not a 'fixed duty', how duty in any sense of the term, but being a varying scale of excise duty levied over & above the fixed minimum licence duty. Such is the idea & is wholly in practice how as regards foreign liquor licences. It is known as 'Excise duty' at any time.

As regards coming into, the system has already explained & sanctioned.

Sd/ Kuttar Singh
13/6/12 Offg Ex: Commr.

12

Sd/ [illegible]
Secy to Govt.
14/6/12

13

Paras 1 & 2 of the Residency office note explain correctly how the present question has arisen

Read 11.10
Sd
14/6/12

NOTE—Contn. sheet.

GPB—20,000—20-1-12

~~Vacated~~ (9)

G. R. S. 12]

General and Revenue Secretariat.

SR File No. 148 of 1912

Serial No.

The question for consideration is whether the Durbar is right in levying duty on English beer which is a "foreign liquor" and whether the levy of such duty is not inconsistent with the Chief Comm's proclamation of 26th Oct 1864 and whether the sanction of the Govt of India should not be obtained under art. 20 of the Instrument of Transfer before such levy can be ordered.

(14) In para 3 of the Res' note it is stated that in 1836 "all articles of European manufacture which previously paid heavily were exempted from any further imposts and were declared free throughout the province". The office has not been able to trace the files relating to the abolition of these taxes in 1836 but in a note of Sir Mark Cubbon printed in the official Compilation on "General Memorandum on Mysore" it is stated (p. 157 "Saya") that in 1836 37 duties ceased to be levied on firewood, old timber, European articles, Sandalwood oil and Vegetables on entering the town of Mysore this apparently does not apply to the whole State and the paragraph in which this

NOTE—Contn. sheet.

GPB—20,000—20-1-12

H Mis 1059-11

(10

G. R. S. 12]

General and Revenue Secretariat.

File No. 148 of 1912

Serial No.

Statement is made itself refers only to the Ashtagram division. No corresponding Statement is to be found in the portions relating to the Wagen, Bangalore and Chitaldrug divisions. Nor does the last long list of articles on which duties were abolished and which is appended to Sir Mark Cubbon's note make any specific mention of "Europe articles" or it may be added of "foreign liquor." Ch. Comm's

(15)

V

the proclamation of 1864 directing ordering the abolition of Sayer on various articles was issued under the directions of the Govt of India that "the duties levied on the Commerce between Madras and Mysore" should be relinquished notwithstanding "that Mysore had no claim to share in the revenue derived from the duties levied on the Sea-board of Madras" This last Statement was in answer to the

V

Arguments

of the Ch. Comm^r, who had contended that if the transport duties in ~~Mysore~~ Mysore were to be abolished She Shd be allowed a Share in the Sea Customs. The rectification of the

NOTE—Contn. sheet.

(11

'G. R. S. 12]

General and Revenue Secretariat.

~~1054~~ 1054 — 11

SR File No. 148 of 1912

Serial No.

Ch. Comm^r directs the entire and absolute relinquishment of all ~~to~~ pow and import duties between the Pro of Mysore and the surrounding Distri of His Majesty's ~~Ter~~ territory".

(16) In two memoranda laid to the Govt of India by the late Sir K. Sheshadri Iyer ~~on the finances of Mysore~~ in Connection with the postponement of the enhanced Subsidy, he has ~~stated~~ that ~~the~~ in Calculating the amount to be paid by the Durbar to the Imperial Govt, Certain indirect Contributions had also to be taken into account viz (among others) "the duty on imported foreign liquor Consumed in the State on which no Separate Excise duty is levied by the State". The Govt of India, it is stated (Please See "F. & Revenue" No 2267 dated 27th May 1897) arrive at their final decision after a careful Consideration of all the matters referred to in the memoranda

(17) In reply to a reference letter

NOTE—Contn. sheet.

Fl Mis 1059-4 [12

G. R. S. 12]

General and Revenue Secretariat.

SR File No. 148 of 1912

Serial No.

S

Asking for Certain information in 1903 ~~Cocelebara~~ the Dunbar have Stated ~~that no Liquor~~ that "foreign liquors imported into the State are not subject to any further duty here"

(18) The foregoing Correspondence ~~seems to show~~ seems to show that if the Dunbar Should levy duty on foreign liquor it would not be quite Consistent with the Statements Extracted above and the directions of the Govt of India to the Ch. Comr in 1864.

✓

(19) The whole Correspondence has been occasioned by ~~occasion~~ what appears to be an inadvertence. ~~English~~ beer on the K. G. F. had been paying "Surcharge fee" at ~~Rs~~ 30- on every 200 gallons Sold in Excess of 500 gallons. If this "Surcharge fee" had been Enhanced So as to Correspond more nearly with the duty of Rs 7-2-9- per hogshead levied on Country beer instead of adopting a different nomenclature and levying "a duty", the procedure

NOTE- Contn. sheet.

GPB- 20,000-20-1-12

G. R. S. 12]

General and Revenue Secretariat.

~~Excise 1059-11~~

SR File No. 168 of 1912

Serial No.	
	would have been unobjectionable. As we have not hitherto levied duty on foreign liquor, the objection to the Excise Comm'r's (Mr Spinks) proposal was noted* but later on it seems to have been lost sight of. However there seems to be no great difficulty in correcting this irregularity, if such a course may be used. We may perhaps intimate the Res't that from the next financial year (1913-14) the practice of levying a surcharge fee instead of a duty will be resorted to. All that will have to be done to give effect to this decision is to make the necessary changes in the Sale notification to be published next year.
15	

* demi-officially

15/6/12

Sec'y

(20) It may be added that the differ between the old Surcharge fee and the present duty is only

NOTE- Contn. sheet.

G. R. S. 12]

General and Revenue Secretariat.

File No. 1468 of 1912

Serial No.

about Six annas per hogshead. The
average Surcharge fee was ~~Rs~~ 6/12
per hogshead while the duty is ~~Rs~~ 7/2/9.
That is however this additional difference in the
total revenue derivable viz that whereas
the duty is leviable on the whole quantity sold
the Surcharge fee is leviable only on the
quantity sold in excess of ~~2000~~ 500 gallons.
~~Discussions~~ [a hogshead is equal to
54 gallons].

Please see
Comm'r's letter flagged
A

18/7/12

Secy

NOTE.—Contn. sheet.

G.P.S.—20,000—20-1-13

Serial No.

(21) Mr.Hiriyannaiya has clearly discussed in the above notes the question of the right of the Mysore Government to levy import duty on foreign liquor (including Beer) imported into Mysore.

(22) A perusal of the notes clearly shows that the Mysore Government has no right to levy such duty and that they have on more than one occasion disclaimed the right. In the circumstances, I think that the position taken by the Government in this Office D.O. No.450 dated 18th November 1911 to the Residency that we had a right to recover import duty on foreign beer is untenable and we have to recede from it as best we can.

(23) 2. I may briefly state here how and under what circumstances the present question has arisen. Prior to ~~1909~~ 1910, no duty was recovered on foreign beer; but each foreign beer shop had to pay a license fee of Rs.150 together with a surcharge fee of Rs.30 on every 250 gallons or part thereof sold in excess of 500 gallons in the shop. In March 1910 the Excise Commissioner (Mr.Sparkes) brought to the notice of Government that the foreign beer shops were in a position of considerable advantage as compared with those vending country beer and that in consequence the sale of country beer had greatly fallen: and he therefore suggested that both should be placed on an equal footing by putting ~~them~~ both up to auction with an upset price of Rs.100 for the former and Rs.250 for the latter and recovering a duty of Rs.7-8-0 per hogshed indiscriminately on both

NOTE— Contn. sheet

GPB—50,000—12-8-10

both kinds of beer sold in the shops. The recovery of the duty on foreign beer was sought to be justified by the Excise Commissioner on the ground that country beer paid duty both to Mysore Government and the Civil and Military Station, while the foreign beer paid duty only to the British Government and surcharge fee to Mysore and that in lieu of surcharge fees, duty may be recovered at the same rate as country beer. The proposal of the Excise Commissioner was approved by the Government and was sanctioned by them in their order dated 20th April 1910. In the Office notes in the file (page 3 of the notes) it was pointed out that the question whether the Durbar can levy duty on English beer was to be considered. But either it was lost sight of or it was believed that the duty having taken the place of the previous surcharge was only a mere change of name which was not of much consequence. At any rate the previous surcharge system was abolished and the levy of a lumpsum duty of Rs.7-2-0 on the quantity imported for sale was ordered to be levied in the G.O. referred to above.

3. The recovery of the import duty in question having incidentally come to the notice of the Residency in connection with the correspondence between it and the Durbar on the subject of exempting from duty the country beer imported into the State, the legality and validity of such recovery was questioned by the Resident in the Assistant Resident's

Serial No.

D.O. letter dated 12th July 1911. The Excise Commissioner (Mr.Doraswami Iyer) was then consulted; and in accordance with his opinion, a reply was sent to the Residency on 18th November 1911 justifying the levy of the duty. It will be seen from the notes in the file relating to this correspondence, that the Assistant Secretary (Mr.Hiriyannaiya) pointed out that the levy of a duty on English beer did not seem to be justifiable; but his opinion was apparently not accepted. On the above communication from this office, the Resident has reviewed the previous history of the question raised in the case and has called for a further expression of opinion from the Durbar.

4. The above brief summary of the circumstances under which the recovery of duty was ordered by Government in 1910 will show that it was not meant to be a fresh or new impost but that it was only intended to take the place of the 'surcharge' which was being previously levied and for the recovery of which the Mysore Government had an unquestioned right. The surcharge rate recovered according to the old system was Rs.30 for every 250 gallons or part thereof, which worked to about Rs. 6.12.0 per horshed. The duty of Rs.7-2-9 which is now recovered is only about 6 as 9 pies in excess of the old surcharge rate. Thus there has been no material benefit to the State by the change of system. In fact it was not so much with the idea of increasing the impost on Foreign beer as with the intention of working both Foreign and Country beer

GPB—50,000—12-8-10

Serial No.

on similar and almost uniform lines that the change was adopted. Now that objection is taken to it on a point of principle, I think we have to revise our order and devise some other method by which country beer can be placed on an equal footing with the foreign beer.

(26) 5. In the Excise Commissioner's letter dated 5th March 1910 the expenditure incurred by the English and country beer ~~xxx~~ tavern keepers has been estimated at Rs.69-15-0 and Rs.103-0-9 per hogshed respectively as follows:-

Foreign beer.

Cost including British duty and trainage.	55-6-0
Surcharge fees and license fees.	8-0-0
Ground rent, cart hire and other charges.	6-9-0
	69-15-0

Country beer.

Cost including duty at C and M. Station and Mysore.	44-2-9
License fee (i.e.hogshed fee).	57-0-0
Carriage, cart hire.	1-14-0
	103-0-9

(27) It will be seen from the above that while the country beer was in a position of advantage as regards all other charges including duty, it was the heavy license fee or hogshed fee amounting to Rs.57 to

NOTE— Contn. sheet

GPB—50,000—12-8-10

~~Home 1059-11~~

G. R. S. 12]
General and Revenue Secretariat.

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Serial No.

to which it was subjected that was the cause of its inability to compete with Foreign beer. This in its turn was due to the fact that the Foreign beer shops were given out on fixed license and surcharge fees, while the country beer taverns were sold by auction subject to a minimum license fee of Rs.35 per ~~gallon~~ hogshead

If the Foreign beer is to be ~~li~~dislodged from the position of vantage occupied by it and placed on the same footing as country beer, I think that the best course will be to sell both by public auction on similar conditions. The upset price for the license fees of both should be the same; and the restriction placed against selling country beer above the prescribed maximum rate should be removed . If this is done the country beer can compete successfully ~~with~~ with the foreign beer and all chances of a loss of revenue to the State caused by an unequal competition between both will be removed.

EDS
22/6/12

2nd Comaker & Decoder

SR
22/6/12

(28) the above notes are full and exhaustive and clearly show where the mistake crept in. I have only to point out to the Residency that we were levying a hearing fee

NOTE— Contn. sheet

GPB—50,000—12-8-10

(20

G. R. S. 12]

General and Revenue Secretariat.

~~28 1000~~ File No. M 168 1912 105-9 ~~of 191~~

Serial No.

and a surcharge fee and that in lieu of these ~~duty~~ a fee of Rs 7-2-9 for hogshead was fixed and was by mistake called duty. We may therefore explain that the so called duty would be an import duty.

26/6/12

Dewan

2008 28-6-12

27/6

(29) Sapee - Please put up the fact in full explaining when - what is levied as a surcharge ~~duty~~ on exemption & not an import duty

15/7/12

book

Cheques sold by licensed vendors

(30) 31/7 Please put up any further papers

29

16/7

SA

16/7/12

NOTE--Contn. sheet.

GPB--20,000--20-1-12

(1

G. R. S. 12]

~~Revenue 1059-11~~

General and Revenue Secretariat.

GR File No. 168 of 1912

Serial No.

(31) Draft submd.

No. 83 dated 20/7/12 (Vol. 9)

(32) I have attempted to put up a draft so as to bring out all the points that have yet to be urged now [No reference is made to Resd office note which, it is believed, was sent to the Dewan only informally]

3/7/12

(33) To Mr Thomas to keep record of papers as personally explained

23 5/8/12

(34) a fuller draft is put up explaining the situation

5/8/12

NOTE—Contn. sheet.

GPB—20,000—20-1-12

R. S. 12]

General and Revenue Secretariat.

~~Res 1089~~

SM File No. 168 of 1912

Serial No.

(35) Drafts submitted for approval.
LB
7/8/12

2nd Counsellor & Dewan.
SB
8/8/12

(36) May be approved.
10/8/12

2782
10-8-12

Dewan
LB
10/8

(37) Drafts returned by Mr Blagrave
SB
14/8/12

NOTE—Contn. sheet.

GPE—65,000—17-C-12.

Vide typed copy — SR, 1684-12 (20)

Draft

Bangalore

D. O. No. 758 — 8th Aug 12

Dear Sir,

Adverting to the correspondence ending with ~~this office~~ D.O. No.770 dated 14th March 1912, relating to the taxation of English beer in Mysore, I write to say that the position is as follows:-

2. Prior to 1910, the English beer tavern on the Kolar Gold Fields was subject to the payment of a fixed license fee of Rs 150 together with a surcharge fee ~~of~~ Rs.30 on every 250 gallons or part thereof sold in excess of 500 gallons in the shop; while the country beer shop was being ~~sold~~ disposed of by public auction ~~though~~ the beer sold therein ~~was~~ being subject to double duty viz (the duty payable to the Mysore Government and ~~also~~ that due to the Civil & Military Station. As under this arrangement country beer shops ~~occupied a position of~~ were at a considerable disadvantage as compared with English beer shops, it was proposed by the Excise Commissioner (Mr. Sparkes) in consultation ~~of~~ with the Deputy Commissioner of Kolar District in 1910 that both should be placed on an equal footing by being sold by public auction subject to the payment of the same amount of duty i.e., Rs.7-2-9 on each hogshead of beer sold in the shops; and the recommendation of the Excise Commissioner was approved by Government.

~~2. The change in so far as it affected the~~

SR. 148-12 (14)

English beer tavern was that, instead of the license being disposed of on a fixed fee subject to the levy of a surcharge fee of Rs.30 on every 250 gallons (which works out at about Rs.6-12-0 per hogshead) sold in excess of 500 gallons, ~~it was to be sold~~ by auction and, in lieu of the surcharge originally levied, a duty of Rs.7-2-9 ~~was~~ to be levied as in the case of country beer. In sanctioning the arrangement proposed by the Excise Commissioner, the Durbar meant only to recover the surcharge in a different form and had no intention of increasing their revenue by the levy of an import duty on English beer brought into Mysore, though, by what must be regarded as an inadvertence, the levy, which was only a substitute for the old surcharge fee, was ~~called~~ misnamed a 'duty'. This will be sufficiently clear from the fact that the difference between the 'duty' and the average of the old surcharge fee which English beer was paying to the State ~~works out~~ amounted to only six annas and nine pies (Re.0-6-9) per hogshead (Rs.7-2-9 minus Rs.6-12-0).

4. Having regard, however, to the correspondence of 1864-1865 regarding the abolition of certain Export and Import duties in Mysore (copy of which was forwarded to the First Assistant to the Resident with this office D.O. referred to above), the Durbar quite realise the force of the objection taken to the recovery of the present levy in the form of 'duty' on English beer and

they are, in the circumstances, willing to discontinue its levy and to revert to the former method of recovering surcharge fees.

5. As the license for the current year has already been disposed of, necessary changes will accordingly be made in the rules to give effect to the above decision from the next official year.

Yours sincerely,

Dewan.

The Hon'ble Col. Sir Hugh Daly,K.C.I.E.

SR. 148-62

D.O.No. 758

Bangalore,
28th August 1912.

My dear Sir,

Adverting to the correspondence ending with D.O. No.770 dated 14th March 1912, from Mr. C.S. Balasundaram Iyer, the then Secretary to the Government in Revenue and General Departments, to Mr. P.B. Warburton, First Assistant Resident, relating to the taxation of English beer in Mysore, I write to say that the position is as follows:

2. Prior to 1910, the English beer tavern on the Kolar Gold Fields was subject to the payment of a fixed license fee of Rs.150 together with a surcharge fee of 30 on every 250 gallons or part thereof sold in excess of 500 gallons in the shop; while the country beer shop was being disposed of by public auction, the beer sold therein being subjected to double duty, viz. the duty payable to the Mysore Government and that due to the Civil and Military Station. As, under this arrangement, country beer shops were at a considerable disadvantage as compared with English beer shops, it was proposed by the Excise Commissioner (Mr. Sparkes) in consultation with the Deputy Commissioner of Kolar District, in 1910, that both should be placed on an equal footing by being sold by public auction subject to the payment of the same amount [illegible]

hogshead of beer sold in the shops; and the recommendation of the Excise Commissioner was approved by Government.

3. In sanctioning the arrangement proposed by the Excise Commissioner, the Durbar meant only to recover the surcharge in a different form and had no intention of increasing their revenue by the levy of an 'import duty' on English beer brought into Mysore, though, by what must be regarded as an inadvertence, the levy which was only a substitute for the old surcharge fee, was misnamed a 'duty'. This will be sufficiently clear from the fact that the difference between the 'duty' and the average of the old surcharge fee which English beer was paying to the State amounted to only six annas and nine pies (Re.0-6-9) per hogshead (Rs.7-2-9 minus Rs.6-12-0).

4. Having regard, however, to the correspondence of 1864-1865 regarding the abolition of certain Export and Import duties in Mysore (copy of which was forwarded to the First Assistant to the Resident with this office D.O. referred to above), the Durbar quite realise the force of the objection taken to the recovery of the present levy in the form of 'duty' on English beer and they are, in the circumstances, willing to discontinue its levy and to revert to the former method of recovering surcharge fees, if so desired.

S.R. 148-12

3

(25

5. As the license for the current year has already been disposed of, necessary changes will be made in the rules to give effect to the above decision from the next official year.

Yours Sincerely

Sd) T. Anandarow.

The Hon'ble

Col. Sir Hugh Daly K.C.I.E., C.S.I.,

Resident in Mysore.

S.R. 14812 29

Submitted to His Highness.

(38) When I was at Ooty in May last, the Hon'ble the Resident left with me copy of an office note prepared in the Resident's Office in regard to the practice ofthe Mysore Durbar imposing an import duty on Foreign Beer though the latter had already paid import duty at the British Indian Sea Ports.

(39) 2. Inquiry was instituted and the papers below bear on the subject. It will be seen from the General and Revenue Secretary's note dated 22nd June 1912 that the recovery of duty ordered in 1910 was not meant to be a fresh or new impost in the shape of an import duty but that it was only intended to take the place of the 'Surcharge' which was being previously levied by the Durbar.

(40) 3. It is proposed to send a reply as per accompanying draft agreed to by the Second Councillor. This draft may be approved.

T. Chandra Row
Dewan

SR 148-12 (3

Record of Cases submitted for the Orders of His Highness the Maharaja

Subject.

(41) Draft reply to the observations made in the Office notes prepared by the Resident's Office regarding the practice of the Mysore Durbar imposing an import duty on Foreign Beer coming into the State.

21.8.12
5.29

175

(42)

Order.

Approved
~~KRW~~
24/8/12

(43) The D.O. reply has been issued - DO No 75-83 28/8/12 -

31/8/12

2/9/12

3/9/12

SR 168-12

31

C. No. 116. W.D. 1227

Mysore

21st October 1912.

My dear Durai Sahib,

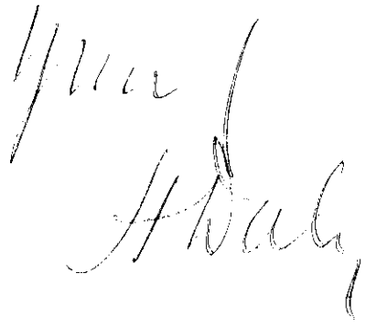
Please refer to your D. O. letter No. 758, dated the 28th August 1912, regarding taxation of beer in the Mysore State.

I understand that the duty of 2 annas and 1½ pies per gallon levied by the Durbar on beer consumed in their territory is a sur-tax levied in addition to the British duty which is charged on beer at the place of manufacture or import. It is stated that this sur-tax has been imposed for a long time past on locally manufactured beer, while in the case of imported beer it has been levied only since 1910 in lieu of a surcharge gallonage fee previously realized from the vendors of such beer.

So long as equal treatment is accorded in the matter of taxation, to imported and locally manufactured beer, there can be no reasonable objection to any additional taxation that the Durbar may see fit to impose upon the local consumption of this article with the

laudable

laudable object of checking such consumption, and it is immaterial whether such taxation is levied in the form of a duty on imports or of a duty on sales.



To

T. Ananda Row Esq., C. I. E.,

Dewan of Mysore.

SR 1484/L (32)

Submitted to His Highness.

(46) I submit for the information of His Highness letter C No.116 dated 21st October 1912 from Hon ble the Resident in the matter of the Sur-charge fee levied by the Durbar on imported beer consumed in the State.

(45) 2. It is satisfactory to note that the Hon'ble the Resident is of opinion that there can be no reasonable objection to any additional taxation that the Durbar may see fit to impose upon the local consumption, so long as equal treatment is accorded to imported and locally manufactured beer and that "it is immaterial whether such taxation is levied in the form of duty on <u>imports</u> or of a duty on <u>sales</u>".

(46) 3. This settles the question of the Durbar's right to levy additional taxation on imported beer whether in the form of duty or Sur-charge, but it appears to me that it would be better with a view of avoiding any such misunderstanding in the future, to call the additional levy by a modest and unequivocal term such as "excess sales fee" which it is in fact.

(47) 4. The connected file of papers also accompanies.

hh

I Thandavarayan
for Secy

SR. 148/12 (33)

Record of Cases submitted for the Orders of His Highness the Maharaja

Subject.

(48) D.O. letter No.116 of 21st October 1912 from the Hon'ble the Resident in Mysore accepting the reasons given for the levy of a Sur-charge fee on imported beer consumed in the State.

782
6.11.12

403

Order.

(49) ~~KRW~~
11/11/12

(50) Secretary

Please submit a draft for approval through the 2nd Councillor
15.11.12. RG

B ii

(51) Please put up draft.

13
19/11

19/11

~~Revn 1059-11~~.

(34)

G. R. S. 12]

General and Revenue Secretariat.

File No. 168 of 1912

Serial No.

(52) Draft subd for orders.

M. 88. 29/11/12

(53) Draft may be passed.

(54) The change will have to be incorporated in the Sale notifications to be issued for the next official year [Please see clauses (4) & (5) of para 7 of the notification for the current year — file no 181-11-12].

Ud (your Excellency's Secretary)

(53) In the draft the expression "Excess Salefee" is levied in place of the word "duty", as indicated in the Dewan's Submission note to His Highness.

29/11/12

Lee)

Draft?

The file was taken back from the Secretary's table as the reference from the Residency referred to in the next para has to be worked up

NOTE—Contn. sheet.

M. 88 11/12/12

GPB—65,000—17-8-12.

F. R. S. 12]

General and Revenue Secretariat.

File No. 148 of 1912

Serial No.

From the Resident in Mysore.

No. D.O. 7107 of the 2/12/12

With reference to his D.O.* no. C. 116 of 21/10/1912 regarding taxation of beer in [illegible] a copy of a representation from the Bangalore Brewery Co. and requests to be informed whether there is any difference in the [illegible] of European and [illegible] beer.

(56) The position which European beer occupies in the State with reference to Excise duty is as follows:-

1. It is subject to a duty of 3 annas per gallon at the place of import in British India.

2. A duty for excess sale fee equivalent to 2 annas and 4 pies a gallon is levied when sold in the Kolar Gold Fields English Draught beer tavern.

3. When it is sold in foreign liquor shops in the State the quantity of beer sold is taken into account for the purpose of levying [illegible]

* incorporated at p. 31 of these notes.

[The Dewan has directed that the representation of the Brewery Co may be examined and the case submitted early. vide Para 4 of the D.O.]

K [illegible]
24-11-12
J

NOTE—Contn. sheet.

GPB—65,000—17-8-12.

F. R. S. 12]

General and Revenue Secretariat.

File No. 168 of 1912

Serial No.

fee along with the quantity.

Other foreign liquor sold ie Rs 30 on every 250 gallons or fraction thereof sold in excess of 500 gallons.

(57) The position which country beer (ie Bangalore Brewery beer in this instance) occupies is as follows:-

(a) It is subject to a duty of 3 annas per gallon at the place of manufacture ie. the Excise Station of ~~Jakkur~~ Bangalore.

(b) Duty of 2 annas + 1/2 Rs per gallon on all quantities imported into the State.

(c) No surcharge is levied when it is sold in the Country beer taverns ~~at the Bowringpet~~ & Robertsonpet.

(d) When sold in foreign liquor shops the quantity of the beer sold is taken into account for purposes of levying surcharge referred to in (3) supra.

(58) As regards the Brewery Companys representation

NOTE—Contn. sheet.

GPB—65,000—17-8-12.

F. R. S. 12]

General and Revenue Secretariat.

SR File No. 148 of 1912

Serial No.

about the payment of 5 per Cent ad valorem duty on all raw materials imported by them it is not possible to say how far this can be taken as a disadvantage, when no mention is made of the taxes, if any, to which the raw materials used for brewing beer in England are subject and of the cost of transport of Imported beer from England to India or to Mysore.

(59) There is therefore no difference so far as the Mysore Excise revenues are concerned in the treatment given to both kinds of beer when they are sold in the taverns in the Kolar Gold Fields area. ~~The difference is~~ but when they are sold in a foreign liquor shop there is some difference in that foreign beer is subject only to surcharge and Bangalore beer to duty and surcharge as well.

(60) In this connection it

GPB—65,000—17-8-12.

F. R. S. 12]

General and Revenue Secretariat.

SR File No. 148 of 1912

Serial No.

is pointed out that the levy of surcharge is almost a negligeable factor as these liquors form a minor item for purposes of calculation. ~~and this is only from the beginning of this official year that the levy is enforced and the burden~~ the burden of the payment of duty on Bangalore beer when combined with foreign liquor is also very light as the quantity sold is comparatively very little.

~~when compared with the~~

(61)

both in the English and Country beer Taverns on the Kolar Gold Fields these two kinds of liquors are sold in big casks and bottles. When sold in foreign liquor shops they are usually kept in bottles and lately it is ascertained they are sold in small

NOTE—Contn. sheet.

GPB—65,000—17-9-12.

General and Revenue Secretariat.

GR File No. 168 of 1912

Serial No.

casks of 4 gallons without breaking bulk. The conditions noted above apply equally to bottled beer as well as the liquor sold in casks.

Mr. 883 Abn
11/12/12

62 Please put up draft inviting the Excise Comm.r's opinion. Early

11/12/12

63
Draft sent.
Mr 63 Abn
12/12/12

Issued
12/12/12

2 To
The Excise Commissioner in Mysore
No. H. 33798 13. 12. 12.
Forwards a copy of the letter of 13. 11. 12 from the Bangalore Brewery Coy to the Residency for opinion at a very early date with special reference to the difference, if any, in the treatment of European country bottled beer in the State.

NOTE—Contn. sheet.

GPB—65,000—17-5-12.

G. R. S. 12]

General and Revenue Secretariat.

SR File No. 148 of 1912

Serial No.

3.

From the Excise Commr in Mysore
No: 3201 of 5/6/12.

Forwards his opinion on the position which Foreign & Country beers occupy with reference to Prohibition in Mysore.

65 The Excise Commr is of opinion that as far as the Mysore Excise revenue is concerned the Bangalore Brewers are not in a greater disadvantage as regards payments to Govt than foreign beer importers. (vide para 5 of the paper under disposal).

66 The Residency ~~forwarded~~ require information regarding the difference in treatment of European and Country bottled beer.

(1 no. will file)

67 Foreign beer when sold in bottles is liable ~~to~~ only for the payment of surcharge fees, which, as already pointed out, is only a minor charge. But on Country beer both duty and surcharge fee are levied.

NOTE—Contn. sheet.

GPB—65,000—17-6-12.

G. R. S. 12]

General and Revenue Secretariat.

SR File No. 148 of 1912

Serial No.

This cannot be considered to be a very material difference when the quantity which is ~~not~~ taxed is very small. As both Kinds of liquors ~~are~~ are taken into account for calculating surcharge fees when they are sold in Foreign liquor shops, the Bangalore Brewery Company cannot claim that they are at a disadvantage. Submitted for orders.

M. S. B. 21/1/13.

68 Please put up a D.O. to the Excise Com.r requesting him to state what quantity of Bangalore beer in bottles was sold in the Foreign liquor shops during the last 3 or 4 years. & how much surcharge fees were thereon on foreign beer & Country beer. SR 23.1.13

69. Draft Subd. An addition is made in the draft, subject to approval, as to what proportion these liquors bear with reference to the surcharge fee

NOTE—Contin. sheet.

GPB—65,000—17-6-12.

(42

G. R. S. 12]

General and Revenue Secretariat.

File No. 145 of 1912

Serial No.

collected.

Mr. 83 Dm 10 Issue If no reply is
23/1/13 rec'd by Monday, issue a reminder
24.1.13 SPR

4. To the Excise Commissioner
No. 74169 & 24/1/1913

Requesting him to state the quantities of foreign ~~liquors~~ Bangalore beer sold in bottles in foreign liquor shops in the State during the last 3 or 4 years and to furnish information regarding the proportion which these two kinds of liquors bear to the total quantity on which duty has been realised

71 Issue reminder
Mr. 83 42 Issue d.o. reminder
30/1/13. put up by me
Issued. SPR
D.O. No. Fl 4257 30.1.1913. 25.1.13

NOTE—Contn. sheet.

R. S. 12]

General and Revenue Secretariat.

S&G File No. 148 of 1912-13

Serial No.

From

Dr. B. Shamanna, Office Asst to the Excise Commr in Bangalore

D. O. No. 6016 dated 6-12-1912

13 On the above, the Officer states that he has called for information from Districts, in order to enable the Excise Commr to furnish the details called for in this Office's Fl. 4169 dated 24-1-1913. S&G. 148-12-4

Don'ble the Resident's D. O. letter to the Dewan, dated the 2nd Dec. 1912* remains therefore still unanswered.

Submd.

[illegible] 74 Please issue the urgent D.O reminder put up by me & submit file if no reply is received by 22nd or 23rd

20/2/13

Submd.

75 The Asst: Secy's D. O. was issued on the 21st inst. No reply has been rec'd from the Excise Commr as yet. In the meanwhile, a Devan-offl. rem* has been rec'd from the Resident in the matter.

NOTE—Contn. sheet.

24/2/1913

C.I.P.—6,000—17-1-12.

. R. S. 12]

General and Revenue Secretariat.

S-R. File No. 148 of 1912-13

Serial No.

76 The point now in question is as to the answer to the Resr's enquiry as to whether there is any difference in the treatment of European & Country bottled beer.

77 The Excise Comr was consulted on the point & he has explained the matter fully in his letter dated 14-1-13. In his letter, he considers the question of beer in bulk also; but, so far as the Resr's inquiry is concerned, we have to deal only with the question of European & Bangalore beer in bottles.

78. The position as regards beer in bottles is as follows:-

"European beer in bottles is not subject to any import duty in Mysore; but the Foreign liquor Shop licensee pays on only a Surcharge fee of Rs 30 on every 250 Gallons sold in excess of the first 500 gallons. This Surcharge fee, it should be noted, is levied not on the beer by itself; but the quantity of beer sold is also taken into account along with the quantity of other liquor in calculating the Surcharge fee.

NOTE—Contn. sheet.

GIP—65,000—17-6-12.

(C. R. S. 12)

General and Revenue Secretariat.

S-R. File No. 148 of 1912-13

Serial No.

(2) Bangalore beer in bottles pays the duty as 2 annas 1½ ps when imported into Mysore. When sold in the country beer taverns, it pays no more charges. But when sold in Foreign liquour shops, it is subject to Surcharge fee also.

79. Thus the difference between European beer Bangalore beer in bottles comes to this: when sold in foreign liquor shops the Bangalore beer is subject both to the duty & the Surcharge fee; while the foreign beer is subject to Surcharge fee alone. There is no difference between them so long as Bangalore beer is sold in the country beer taverns. The difference arises only in the case of Bangalore beer being sold in the foreign liquor shops.

80 That this difference is more or less nominal is clear for the following circumstances:—

(1) The Surcharge fee is not levied on Bangalore beer sold in 7 d. shops, by itself. It ~~forms~~ only forms one of the items of liquor on the total

NOTE—Contn. sheet.

GPB—65,000—17-6-12.

General and Revenue Secretariat.

G.-R. File No. 148 of 1912-13

Serial No.

Consumption of which, Surcharge fee is levied

(2) It is understood that the sale of Bangalore beer in bottle in F. L. Shops is very limited. Statistics on this matter were called for, from the Excise Comr. but have not yet been received. On account of the limited quantity of Bangalore beer sold in bottles, the disadvantage arising from the levy of Surcharge on it is but trifling.

81. Subm. If approved, a draft on the above lines will be put up. As the Resdt have sent a reminder on the subject, perhaps an ad interim reply may also be sent

Dy Secy) SPR 25/2

82. The Resident merely inquires whether there is any difference in the treatment of European and Country bottled beer in Mysore. This is the only point raised; & at this stage it appears needless to go into the representation made to them by the Bangalore Brewery Co. A draft may be put up answering this point raised, on the lines of the Excise Comr's letter, relevant to it.

81 no 1.

Dmurgesh 26/2 SPR 26-2

81 no 3

Secy) 83 Yes. Please put up draft & a reply accordingly

WR 26/2 Very Carefully SPR 26-2-13

NOTE—Contn. sheet.

GPB—65,000—17-9-12.

[F. R. S. 12]

General and Revenue Secretariat.

SR File No. 148 of 1912

Serial No.

84 Draft Subd.

Revised Draft Submd

28/2/13. 1/3 Dr Sec 4) 1/3/13

85 A draft based on the Excise Comm's letter & answering only the point raised by the Resident to put up

Draft Letter 3/3

Secy).

86 2nd Counselor & Dewan

4/3 4/3 4/3

87 I have now made an original draft & prepared a fair draft. Both are revised at the instance of both. Secy. The former is more explanatory & elaborate with the present position at some length & as such preferable & the latter which seems to be rather curt. As this question is being mixed up with that of the Mysore Railway Co, it seems desirable to state our case fully on this occasion & be done with it once for all. I have therefore approved of the original draft, a clean copy of which may be put up for final approval

7/3/13

NOTE—Contn. sheet

GPB—65,000—17-9-12

G. R. S. 12]

General and Revenue Secretariat.

S.R. File No. 148 of 1912

Serial No.

(88) Fair draft subd.

M. 8/3/13.

2nd (1) SO 8/3

(89) Dept. offered Rs

10/3/13

1797 11.3.13

Dewan 10/3 Draw 11/3 SO 11/3

(90) Dft appd

10/3 Draw 31/3

(91) Issue

SO 31/3

5 To

The First Asst. Resident

No. C.d. 840 of 1. 4. 1913

States the position in which the two beers stand and shows how the Bangalore Brewers are not at a greater disadvantage

NOTE—Contn. sheet.

GPB—65,000—17-6-12.

7. R. S. 12]

General and Revenue Secretariat.

SR File No. 148 of 1912

Serial No.

than the foreign beer importers.

(92) The draft to the Residency was issued yesterday and orders are solicited on the draft put up on 29-11-1912, which remains unissued. This draft is in accordance with the order of the Secretary dated 11/11/12.

(93) Now that the Excise Comm^r has proposed a change of policy with regard to the disposal of the English Beer taverns from the next official year it is a point for orders whether there is any necessity to issue the order proposed.

Mr. 83 Nov 2/4/13

(94) The draft put up is in accordance with the Dewan's Submission note. It was not issued then, as the further question relating to the treatment of Country & European bottled beer had to be disposed of.

(95) In the Circles file the Excise Com^r has proposed that the English beer taverns should be put to auction on a

Page 43 (Page 32) of Excise Comm^r's letter No: 71678 18/3/5/13 (S.R. 219-12-1.)

Separated as separate case

Page 32 of these notes.

SR 219-12

NOTE—Contn. sheet.

GPB—65,000—27-9-12.

(50

[G. R. S. 12]

General and Revenue Secretariat.

S.R File No. 148 of 1912

Serial No.

fined fee & that only the usual Surcharge fee viz Rs 30 on every 250 gallons in excess of the first 500 gallons should be once levied from the foreign beer importer. If this proposal is accepted, there appears to be no necessity to the present draft.

(56) Submitted & orders

Dy Sec 4)
Sec)

SPL 8/4
Dy Sec/Sec 9/4

[Further action is taken in S.R (on the points noted in paragraphs)
File No 219 of 1912. (Re Sale of English Beer Taverns, K.G.F.)
The proposed alterations in that file include the points raised in the notes above]

(Sheet 4)

NOTE—Contn. sheet.

GPB—65,000—17-6-12.

(51

G. R. S. 12]

General and Revenue Secretariat.

SR File No. 148 of 1912

Serial No.

6

From the Ft Resident in Mysore
No. 2147 of the 5/4/1913.
Referring to SR 110: 5, States
that that reference indicates in the present
instance that the system of surcharge has not been abandoned, that
European bottled beer receives more
advantageous treatment so far as regards
the foreign [illegible]
[illegible] that equal
treatment [illegible]

(97) The Assistant to the Excise Commr has not yet given details as to the consumption of Foreign & Country Beer and the proportion in which these liquors bear the surcharge fees levied from Foreign liquor shops.

(98) A reminder is put up forwards.

(99) In this connection it may be pointed out that the question of placing Foreign & Country beer when sold in the Taverns on the Kolar Gold Fields is already

x recently furnished vide Do noted below. Asst Commr
I. DO from the Excise
Commrs Office
No. 7992 of 18/4/13.

NOTE—Contn. sheet.

GPB—65,000—7-6-12.

(52

R. S. 12]

General and Revenue Secretariat.

SR File No. 148 of 1912

Serial No.

SR 219-12

under the consideration of Govt in connection with the sale of these Taverns for 1913-4. May the Excise Commr be requested to suggest for the consideration of Govt the means by ~~which~~ which these kinds of liquors may be placed on the same footing when sold in bottles?

Submd for orders.

Mr. 83

11/4/13 Bln

(100) As the original reply dated 1-4-13 to the Res't was based on the terms of the letter of the Excise Comr dated 9th Jan'y 1913, a copy of the present D.O. may also be sent to the Excise Comr for opinion & remarks.

(101) A revised draft is put up by me for approval or other orders

(or test)

SR 12/4

(102) I think there is a Standing order that Extract from or copy of Revenue letters should not be sent to Subordinate authorities. Hence the draft requires revision.

Dmy 22/4

(103) Please have the draft revised

SR 22/4

NOTE—Contn. sheet.

GIPE—65,000—17-6-12.

. R. S. 12]

General and Revenue Secretariat.

S.R. File No. 148 of 1912

Serial No.

(104) fresh
A draft is subd. for orders.
M.
22/4/13 (105) A revised draft is put up for approval
Scy) Draw angelow 23/4
23/4 SPR 23/4
2nd Answer
LB 23/4 Draw 24/4/12
(106) Draft approved
well
24/4/13
LB 25/4 Draw 25/4.
Issue
SPR 25/4

8 J.

The Excise Commissioner in Mysore
No. Fe. 6158 dt 28 4 1913

Observes that from the information given in this letter of the 9th Janry. 1913 (Fl. 3) it appears that European bottled beer receives more advantageous treatment than is angalore bottled beer and requests him to furnish Govt with his further opinion in the matter

NOTE—Contn. sheet.

GPE—65,000—17-6-12.

(54)

R. S. 12]

General and Revenue Secretariat.

SR File No. 148 of 1912

Serial No.

From the Excise Commr in Mysore
No: 8269 of 2/5/1913.
Explains that the instruction prohibiting
[illegible] is [illegible] but
[illegible] there exists, however,
no bar to it

is possible
under the existing Regulations and
Rules.

(107) The Statement forwarded
by the Excise Commr with his D.O.
of the 18th April 1913 gives the
details of Surcharge fees which
foreign liquor, foreign beer and
Country beer pay to Govt.
Submitted for orders.
Mr.
8/5/13

(108) The First Asst Resr's D.O.
points that there is some difference
in the treatment of Country beer
& foreign beer, in Foreign liquor
Shops. The Excise Comr reports that
Such a difference, as pointed out
by the Resr exists but that the
two are governed by different
Sets of Govt orders. The fact

NOTE.—Contn. sheet.

GPB—65,000—17-6-12.

R. S. 12]

General and Revenue Secretariat.

SR File No. 148 of 1912

Serial No.

two different orders govern the two cases is not an does not seem to be a satisfactory answer to the grass complaint that such a difference exists.

(109) The real answer to the State enquiry of the Res.t seems to be that such there is some difference between the two but so far as Foreign liquor Shops are concerned but that the difference is entirely negligeable. From the statement of Beer in bottles sold in Foreign liquor Shops, sent by the Excise Com.r, it appears that the quantity of Bangalore beer sold there & the amount of surcharge thereon are as hereunder.

	B. Beer Sold in F. L. Shops.	Surcharge Fees thereon.	Total Surcharge levied from F. L. Shops
1909-10-	681 gallons	R62-0-0	2773-0-0
1910-11-	700 g.	67-0-0	2804-0-0
1911-12-	900 g.	114-0-0	2989-0-0

(110) This shows that the Consumption of B. beer in F. L. Shops is very limited and therefore the Bangalore brewers cannot have any reasonable ~~ag~~ complaint, especially because the very sale

NOTE -Contn. sheet.

GPB—65,000—17-6-12.

R. S. 12]

General and Revenue Secretariat.

S R File No. 148 of 1912

Serial No.

of such beer in F. L. Shops is based upon a concession. If this concession is taken away, then there will be no ground for complaint at all as to any difference of treatment between European beer & Bangalore beer in F. L. shops. The Resr may be informed accordingly. The Excise Comr may be requested to withdraw the concession allowed to F. L. Shops to sell Bangalore beer in bottles.

Dy Secy

12/5

(111) This view does not directly arise on the Resolving letter, though it affords a rough & ready solution of the question.

(112) The position is briefly this :: In Country taverns, B. B. B. pays only duty but in Foreign Liquor Shops, it has to pay duty + surcharge.

(113) The Resolvt wants that surcharge should be omitted (1) as promised & (2) as equalising conditions as far as possible.

(114) The Excise Commr's letter does not deal with the question of surcharge in such manner as to facilitate decision. The Assistant Secy's views aims at the abolition of the system whereby B. B. B is sold in Foreign Liquor Shops.

(115) Before deciding if the Excise Commr may

Bangalore Bottled Beer

Bangalore Bottled Beer

NOTE.—Contn. sheet.

GPB—65,000—17-6-12.

R. S. 12]

General and Revenue Secretariat.

SR File No. 148 of 1912

Serial No.

perhaps be consulted ; and then the Revenue as the solution proposed goes beyond the letter addressed to the Govt Revenue.

D.M. Narayanaraw
16/5

Secy)
2nd Consultor)

Secy 16/5
16/5 SR

(116) Yes
1915/13

(117) 16/5 Draft Secy 21/5
21/5

(118) Draft Subd.
M.S. .83
24/5/13

(119) Dy Secy) SR 22/5
A fair draft as revised may be approved & issued by the Govt Secy.
Secy 24/5

Fair Draft
SR 24/5

(120) Fair draft Subd.
M.S. .83
24/5/13

(121) Issue marked urgent
SR 24/5

10 Y.

The Excise Commissioner in Mysore No. Fe. 6901 of 26th May 1913 states that it appears to Govt. that the difference in question arises

NOTE.—Contn. sheet.

GPB—65,000—17-6-12

G. R. S. 12]

General and Revenue Secretariat.

GR File No. 148 of 1912

Serial No.	
	arises owing to Bangalore beer being allowed to be sold in foreign liquor shops and that the withdrawal of this concession may put both country & foreign beer on an equal footing and calls for his opinion on the desirability of the proposal.
11	From the Excise Commr No: 90 & 8 9 5 6/13, Stating that the concession allowed for foreign liquor shops licensed to sell Bangalore bottled beer may be withdrawn, that the parade shops may be allowed the same for Bangalore & Mysore bottled & Calsberg & the Kings, as now enjoyed by.
(3)	(122) The Excise Commr agrees to the suggestion made by the Assistant Secretary in para 110 supra. Kind attention is invited to the Deputy Secretary's note (Paras 111 to 115 supra) on this subject.
	(123) The suggestion contained in the latter part of the Excise Commr's letter (R no 11 in the file) is proposed to be dealt with in a separate file, for which purpose

NOTE—Contn. sheet.

GPB—65,000—17-6-12.

General and Revenue Secretariat.

SR File No. 168 of 1912

Serial No.

an extract has been taken for action.
Submitted for orders.

9/6/13

(124) The matter is now ripe for a reply being given to the 1st Asst Rests D.O. letter dated 5-4-13.

(125) Submd for orders

Dy Secy) Asst 9/6

(126) A draft on the lines of the solution proposed may be put up early

Dy Secy 9/6

(127) Submd with a draft D.O. to Dy Secy) the Asst Resident.

Asst 10/6

Secy) Dy Secy 11/6

(128) I shall be obliged if the Asst Secy will bring this up in person.

Asst 11/6

DS 16/6 Dy Secy 17/6

(129) Submd with a revised draft D.O. as personally instructed

Secy) Asst 30/6

NOTE—Contn. sheet.

GPB—65,000—17-6-12.

(Coo

G R. S. 12]

General and Revenue Secretariat.

SR File No. 148 of 1912

Serial No.	
	(130) Draft Submitted for approval ZR 1/7 SPR 2nd Counsellor & Dewan
3806/4.7.13	(131) approved 3/7 ZR 3/7 SPR SPR 3/7
	(132) Draft appd by Dewan SR 5/8/13.
	(133) B ii Format ZR 5/8/13 SPR 5/8 SPR 5/8
12	To. The A. Resident in Mysore No pol 119 Dated 8-13 (D.O Invites reference to Sl 6 and States that it has been decided to dowry with the difference in the treatment of the two classes of bottles beer so far as Foreign Liquor Shops are concerned and that therefore the privilege of selling Bangalore

NOTE—Contn. sheet.

GPB—65,000—17-8-12.

61

R. S. 12]

General and Revenue Secretariat.

S R File No. 148 of 1912

Serial No.

bottles been has been withdrawn in the case of foreign liquor licensees and that the same has been restricted to certain shops specially licensed for this and that the Excise Commr has been directed to bring the arrangement into force from 1-7-13

NOTE—Contn. sheet.

GIP—65,000—17-6-12.

D. O. No. 336

THE MYSORE RESIDENCY,

D.O. No. 7104.

Bangalore, 2nd December 1912

My dear Dewan Sahib

Page 81 of the Office Note in File No. 112-12

Will you please refer to the correspondence ending with my D.O. letter C.No. 116, dated the 21st October 1914, regarding taxation of beer in the Mysore State.

2. I am now desired to forward herewith a copy of a letter dated the 14th November 1912, from the Bangalore Brewery Company, and to say that Sir Hugh Daly will be obliged if he can be informed whether there is any difference in the treatment of European and Country bottled beer.

Yours Sincerely

M B Wardlaw Lee

DIARY No. 1977

1912-1913

SECTION SR

FILE No. 1/4

CASE No. 1

To

T. Viswesvaraya Iyer., C.I.E.,

Dewan of Mysore.

Subs to Secy

The Diwan would like the representation received from the Bangalore Brewery Co to be Examined & the Case Subs to him Early

3/12/12

Letter dated the 13th November 1912, from the Bangalore -- Brewery Co., to the First Assistant to the Resident in Mysore.

We have the honour to acknowledge receipt of your letter No. 6273, dated the 23rd ultimo.

We would respectfully urge, that, from our point of view it is necessary to consider the position of our products with regard to all taxes and duties to which they are subject, and we also -- venture to submit, that, in view of the existing fiscal arrangements between the different Governments, it is desirable for all purposes that, dealing with the present matter, the whole position should be considered.

At present the "surcharge" levied in Mysore is to all intents and purposes an excise duty on commodities and, as it is charged on bulk rather than value, its incidence is more severe on our beer than on the goods of less relative bulk imported from Europe, the sale of the commodity which we manufacture is therefore crippled to a very great extent.

But, besides this "Surcharge" our beer bears an Excise duty of 2 annas 1½ pies per gallon in Mysore, whereas the goods from Europe do not, and the extra duties or taxes we are charged are as follows:-

On goods from Europe.

(1) Import duty at 3 annas per gallon at port of landing

(2) "Surcharge" in Mysore.-

On our goods.

(1) Excise duty in the Civil & Military Station of 3 annas per gallon

(2) "Surcharge" in Mysore.

(3) Mysore Govt. duty of 2 annas and 1½ pies per gallon levied by the Durbar.

(4) Import duty on all raw materials at 5 per cent ad valorum imported by us.

So you will see, although the beers imported into Mysore from Europe bear only an import duty and are subject to an Excise Duty or tax (Surcharge), Our beers bear an Excise Duty and are subject to a Surcharge also, an extra duty and a duty in the form

of duty on raw materials for the manufacture of same.

C O P Y.

H. S. Timmaiah Esqr

Registrar

Mysore Resident's Office.

2·15
12/12

J

G.R.S. 26]

File No. 1468-12
Serial No. 2

Diary No. of letter replied to 1977

No. 43379

General and Revenue Secretariat
(SR)
, *the* 19 .

To

The Excise Commr in Mysore

of ssue ~~Mysore~~ 13·11·12

Signed by Mr S. Hiriamiyya

Sir,

I am directed to forward herewith a copy of a letter dated the 13th Novr 1912 from the Bangalore Brewery Co to the First Asst to the Honble the Resident in Mysore and to request you to be so good as to furnish your opinion at a very early date with special

over.

SUBJECT.

Copied 14/12

reference to the difference,
if any, in the treatment
of European and Country
bottled beer in the State

I have the

for WS Secretary

List of enclosures,

Copied by

Examined by

GPB—10,000—28-2-11.

4

OFFICE OF THE EXCISE COMMISSIONER IN MYSORE.

Bangalore, dated 9th January ..... 1913.

DIARY No. 2578

19/2/13
SECTION SR
FILE No. 148
Serial No. 3

FROM

M. Kantaraj Urs., Esq., B.A.,
Excise Commissioner in Mysore.

To

K.R. Srinivasiengar, Esq., M.A.,

Offg: *Secretary to the Government of*
His Highness the Maharaja of Mysore,
General and Revenue Departments.

Sir,

With reference to your No. Fl.3379-S.R.148-12-2, dated 13th December 1912, I have the honor to invite your attention to this office letter No. 7115, dated 3rd March 1911, on the same subject and to state as far as Mysore Excise Revenue is concerned both Foreign and Bangalore Beer stand as follows:-

1. Foreign Beer in bulk which is imported into Kolar Gold Fields, English Beer Tavern, pays duty at 2 annas 1½ pies per gallon on all quantities imported. The license of this tavern was being leased out at a fixed fee of R.150/-, till the 30th December 1910 when a surcharge fee at the rate of R.30/- on every 250 gallons sold in excess of the first 500 gallons was being charged in addi-tion to the license fee mentioned above. But when the tavern was put up to auction since 1st January 1911 this surcharge fee was merged in the amount obtained at the sales.

2. Foreign Beer in bottles, does not pay any import duty as in bulk; but the Foreign Liquor shop licensee pays a surcharge fee at the rate mentioned above.

3. Bangalore Brewery Beer in bulk pays an import duty at two annas one and half pies a gallon when it enters Mysore limits and the Country Beer Tavern license is knocked down to the highest bidder at an auction sale. No surcharge is paid on this.

Bangalore

4. Bangalore Beer in bottles. When this liquor is sold in the Country Beer Tavern in the Kolar Gold Fields, it only pays the duty at 2 annas 1½ pies but not the surcharge mentioned in (2) of the letter from the Brewery Company; but under para 2 of Notification No.11469/Ex.F.3-1901 dated 10th January 1903 the Foreign Liquor Retail License holder is allowed to vend Bangalore Beer in bottles. It is on this that surcharge is levied as well as the duty of 2 annas 1½ pies. But the Foreign Liquor licensee gets this privilege without anything extra being charged over the Foreign Liquor license fee. The levy of this surcharge is, therefore, justified on this score.

5. From the above analysis, it will be seen that as far as Mysore Excise Revenue is concerned, the Bangalore Brewers are not in a greater disadvantage as regards payments to Government than the Foreign Beer importers.

6. Bangalore Beer of all denomination - native or Brewed on superior English principles, and considered as equivalent to English Beer - can only be considered as "Country Liquor" as defined in section 3 (ii) of the Mysore Excise Regulation (V of 1901) and will have to pay import duties under section 6 of the same. The removal of this duty will necessitate an amendment of the Regulation. This procedure is in accordance with the universally acknowledged principle that the Excise duty on such commodities of consumption should go to the Revenue of the country in which they are consumed.

I have the honor to be,
Sir,
Your most obedient servant,

Excise Commissioner.

M 113

G.R.S. 26]

File No. 148-12

Serial No. 4

Diary No. of letter replied to 2578

D.O. No. H64169

26-1-1913

General and Revenue Secretariat

(SR)

, *the* 19 .

To

Issue 26-1-13

Signed by Board
Mr Rajagopalachar

Dear Sir,

With reference to your office letter no: 5201 of the 9th instant regarding the difference in treatment of foreign & Country beer so far as the Mysore excise revenue is concerned, I am desired to request you to be so good as to state what quantities of Foreign and Bangalore Brewery beer in bottles were

over.

SUBJECT.

sold in the foreign
liquor shops in the State
during the last three
or four years and
what amounts were of surcharge fees
collected during
this period.

Information may
also be kindly furnished
as to the proportion
~~or share~~ which these
two kinds of liquors
bear ~~will regard to~~ the total quantity of liquor
~~the amounts thus~~ on which surcharge fees
~~realised.~~ were realised.

A very early
reply is requested

Yours sincerely,

SPM

List of enclosures,

For Secy to Govt.

Copied by

Examined by

Mr. 83 Bom

23/1/13.

To the Secret Com

GPB—10,000—28-2-11.

3

Fair draft. 31-3-13 7

G.R.S. 26]

S-R. File No. 148-12,

Serial No, 5

Diary No. of letter replied to 2578

DO No. PR 840-8/1 4/13

General and Revenue Secretariat

( )

, *the* 19 .

To

The First Assistant Resident.

Date of issue

Signed by

Dear Sir,

With reference to your D.O. no: 707 of the 2nd Dec.r 1912 to the address of the Dewan, enquiring whether there is any difference in the treatment of European and Country bottled beer, I am desired to state that the position in the matter is as follows:-

over.

SUBJECT.

When foreign beer is sold in bottles in the foreign liquor shops, the licensees have to pay a surcharge fee at the rate of Rs 30/- on every 250 gallons sold in excess of the first 500 gallons. Bangalore beer is sold in bottles in the country beer taverns and also, as a special case, in some of the foreign liquor shops. When sold in the country beer ~~taverns~~ taverns, it pays a duty at 2 annas 1½ pies per gallon; but no surcharge fee is levied. This duty on Bangalore beer thus takes the place of the surcharge fee levied on foreign beer. When foreign liquor retail license holders are allowed to vend Bangalore beer in bottles, they have

List of enclosures,

Nil

Copied by

Examined by

GPD—10,000—28-2-11.

8

G.R.S. 27]

GENERAL AND REVENUE SECRETARIAT.

(Continuation sheet draft form.)

to pay a duty at 2 annas 1½ pie per gallon; and in addition the quantity of Bangalore beer sold, is taken into account in calculating the surcharge fee to be levied from them. This privilege of selling Bangalore beer is conceded to the foreign liquor licensee without anything extra being charged over the license fee. It will be seen from the above, that, so far as Mysore Excise Revenue is concerned, the Bangalore Brewers are not at a greater disadvantage than the foreign beer importers.

10/3/13

24.3.13

Sec'y to Govt.

D3896

SR 148-12

SR 206

BGE 20/1715

D. O. No. 2149.

D3896

THE MYSORE RESIDENCY,

Bangalore, 5th April 1913.

My dear Mr. Srinivasachargar

Will you please refer to my D.O. letter No. 547, dated 1st April 1913, on the subject of the treatment of European and country bottled beer? I am sorry to have to trouble you again in the matter, but I am afraid that I am still not quite clear as to the position.

The late Dewan in his D.O. letter No. 777 dated the 28th August 1912, explained that in order to place country beer shops and English beer shops on an equal footing the old method of levying a surcharge fee has been abandoned and payment of duty was substituted. It was on the assumption that equal treatment was accorded to all kinds of beer that Sir Puran Daly replied to the Dewan in his letter No. 116, dated 21st October 1912. Your present letter indicates in the first instance that the system of levying surcharge has not been abandoned, and in the second that European bottled

bottled beer receives more advantageous treatment than Bangalore bottled beer so far at any rate as foreign liquor shops are concerned. To put the case in a nutshell, if I buy a bottle of Bangalore beer in a country tavern I probably have to pay a price sufficient to cover the levy of the local duty of 2 annas 1½ pies per gallon. On the other hand, if I buy a bottle of the same beer in a European liquor shop the vendor has to account himself not only for duty but for surcharge fee. Similarly European bottled beer is apparently subject only to the surcharge, while in the same shop Bangalore bottled beer has to pay duty as well as surcharge. In the circumstances the position strikes me as somewhat anomalous, and it seems hardly correct to say that equal treatment is accorded in Mysore to the two classes of beer sold in bottles.

Yours Sincerely

pm

D 3876

SR.148-12

S(20)6

To

K.P. Srinivasaiengar Esqr.,

Secretary to the Government of Mysore,

General and Revenue Departments.

II

4122

(18

Br II/SPR/19/4 S.R. No. 3.

(7)

D. O. 7892
Genl. 1

OFFICE OF THE EXCISE COMMISSIONER
IN MYSORE,

Bangalore, dated 18th April 1913.
18 R

Dear Sir,

Sno
to
file

In reply to your Demi-Official letter No. Fl. 4169/S.R. 148-13 dated the 24th January 1913 to the address of the Excise Commissioner in Mysore, I am directed to send you herewith a - - statement showing the quantity of Foreign and Country beer sold in Foreign Liquor Wholesale and Retail shops with the amount of - - surcharges collected thereon.

DIARY No. 4122

10 APR 13
SECTION SR
FILE No. 148-12
SERIAL No. 7

Yours sincerely,

Assistant Commissioner,
Excise Commissioner's Office

To
S. P. Rajagopalachar, Esq., B.A., B.L.,
Asst. to the Secretary to the Govt. of Mysore.

Statement- Showing the Quantity of Foreign and Bangalore Brewery Beer Sold in Foreign Liquor Shops.

District	Year	Total Consumption of Foreign liquors	Total Quantity of F. Beer	Bangalore Brewery Beer	Surcharge fees on Col: 3	Surcharge fees on Col: 4	Surcharge fees on col: 5	
	2	3	4	5	6			
					Rs as p.	Rs as p.	Rs as p.	
Kolar	1909-10	30,219 gallons	10,909 gls	681 gls.	2773-0-0	1001-0-0	62-0-0	
	1910-11	29,253 gallons	11,205 gls.	700 gls.	2804-0-0	1074-0-0	67-0-0	
	1911-12	22,650 gallons	11,137 gls	900 gls.	2989-0-0	1469-0-0	114-0-0	

Fees paid by foreign liquor

A No

Asst. Commissioner
Excise Commissioner's Office

26/4/13

G. R. S. 26]

File No. 48-12

Serial No. 8

Diary No. of letter replied to 3896

Revised draft

No. 76158

General and Revenue Secretariat

( )

, the 191 .

To

dy 28th April/13

The Excise Comr. in Mysore

Date of issue 28-4-13

Signed by

Sir,

I am directed to invite reference to your letter No. 201 dy 9-1-13 explaining the treatment accorded to European & Bangalore bottled beer and stating that so far as the Mysore Excise Rev. is concerned the Bangalore brewers are not in a greater disadvantage

over.

& no 3 in file file.

SUBJECT.

as regards payment to
Govt than the foreign beer
in Bottles and to State as
follows :-

From the information
given in your letter it appears
that European bottles beer
receives more advantageous
treatment than Bangalore
bottles beer so far as
foreign Liquor Shops are concerned.
Bangalore beer in an European
Liquor Shop has to pay both
duty and Surcharge fee
; while European bottles
in the same Shop
apparently Subject only to
Surcharge In these circumstances,
it seems hardly correct to say
that equal treatment is
accorded to the two classes
bottles beer. I am to
request you therefore that
this proposal may be

List of enclosures,

Copied by

Examined by

GPB—25,000—8-8-11.

G.R.S. 27]

GENERAL AND REVENUE SECRETARIAT.

(Continuation sheet draft form.)

to furnish Govt with
your further opinion on this
aspect of the question.

3. As a reply is due
to the Resident in the matter
I am to request a very
early reply to this
reference.

MWS 24/4/19

SPA

Asst Secy

DMW 23/4/19

COVERED 26/4

(14)

DIARY No.....

No. SECTION 8269 FILE No. SERIAL No. FROM

OFFICE OF THE EXCISE COMMISSIONER IN MYSORE.

Bangalore, dated 2nd May 1913 *19*

2nd

DIARY No. 4442

M. Kantaraj Urs, Esq., B.A.,
Excise Commissioner in Mysore.

To

RECEIVED 13 SECTION SR FILE No. 148 SERIAL No. 9

K. R. Srinivasiengar, Esq., M.A.,
Offg: *Secretary to the Government of*
His Highness the Maharaja of Mysore,
General and Revenue Departments.

Sir,

With reference to his No. Fl. 6158/S.R.148-13-8 dated 28th ~~instant~~ *ultimo*, I have the honor to state that the distinction pointed out between the Foreign Bottled Beer and Country Bottled Beer exists, but they come under separate provisions.

Foreign Bottled Beer pays no Excise duties, as in the case of - - other Foreign liquors, to the Mysore Government. The only charge on it is the surcharge.

2. Bangalore Bottled Beer falls under country spirits, ~~even~~ when manufactured on European principles, and under Sec. 6 of the Excise Regulation has to pay an excise duty when imported into Mysore. Under Rule XII of the Foreign Liquor Rules it is allowed to be exposed for sale in a foreign liquor shop. Notification No. FI 5522/S.R.241-11-2 dated 21st June 1913 para 3 prescribes the levy of the surcharge fee.

3. This difference cannot be avoided owing to the Bangalore Beer - - being treated as Country liquor, unless the Government are pleased to exempt it from payment of duty, which I do not recommend as being unfai on the Foreign Beer, which pays similar duty, though not to the Mysore treasury. The Bangalore Brewery evidently wants to gain an advantage at the cost of the State Revenue. Though the amount is small at prese it means exempting liquor manufactured in India from paying duty, for which purpose, I submit that Section 6 Excise Regulation has to be - - amended by a proviso.

4. Reference

A

Reference is invited to this office letter No. 7363 dated 2-3-1910 reco-mending the sale of the Foreign Beer Tavern for the purpose of placing it on an equal footing with the Country Beer Tavern. It will be seen that at that time, the Country Beer Tavern Licensee had to buy the right to vend in an open auction and had in addition to pay duty on all - - - Bangalore beer he imported for sale, bringing the price of each hogshead to R.105-0-0. Whereas, the Foreign Beer Tavern was licensed at a comparitively low fixed fee. The licensee here, had only to pay the cost of his beer including the British duty and his outlay on each hogshead came to L. 60-15-0. The latter was therefore enabled to sell his stuff at a cheaper price and cause a loss to the former. The step towards equalising the two, as sanctioned in Government Order No. Jl 2741 S.R 76-10-2 dated 29-11-1910 was no abatement of any of the charges on the Country beer but a more or less enhancement of the outlay on the Foreign Beer Licensee by selling the Foreign Beer Tavern in an auction.

It will thus be seen that the Bangalore Bottled Beer pays the two charges under two different Government orders, whereas like all other Foreign Liquors, Foreign Bottled Beer is exempted from one. No such equal treatment as is suggested by your letter is possible under the existing Regulation and Rules.

I have the honor to be,

Sir,

Your most obedient servant,

for Excise Commissioner.

AR

Rdy draft

Request to his opinion on the subject of difference in the treatment given to foreign & Country bottled beer.

G. R. S. 26]

S.R. File No. 18-12

Serial No 10

Diary No. of letter replied to 6462

No. H 6901

Dated 26th May/13

General and Revenue Secretariat

(SR)

, *the* *191* .

To

The Excise Commr in Mysore.

Date of issue 26-5-13

Signed by Dy Secy to Govt

Sir,

Adverting to the correspondence ending with your letter no: 8269 of the 2/5/13, regarding the difference in the treatment given to foreign and country bottled beer sold in Foreign liquor Shops, as far as the Mysore excise revenue is concerned, I am directed to state that it appears to Govt that the difference

over.

SUBJECT.

ases chiefly owing to Bangalore
r being allowed to be sold in
eign liquor shops and that
withdrawal of this concession
ay put both country and
eign beer on an equal footing.
am therefore to request you
be good enough to express
ur opinion as to the desirability
this proposal.

2. A very early reply
requested.

I have &c

Sd/-

for Secy to Govt.

List of enclosures.

53
5/13.

Copied by

Examined by

GPB—25,000—8-8-11.

Immediate

17

OFFICE OF THE EXCISE COMMISSIONER IN MYSORE.

No. 9048

Bangalore, dated 5th June 1913

DIARY No. 4945

19/2-1913
SECTION 52
FILE No. 148-12
SERIAL No. 11.

From

Kantaraj Urs, Esq., B.A.,
Excise Commissioner in Mysore.

To

T.R. Srinivasiengar, Esq., B.A.,

Secretary to the Government of
His Highness the Maharaja of Mysore,
General and Revenue Departments.

Sir,

Referring to your letter No.Fl.6901/S.R.148-12-10 dated 26th May 1913 calling for my opinion as to the desirability of withdrawing the concession of selling the Bangalore Brewery Bottled Beer fr the Foreign Liquor Shops, I have the honor to state that this concession may be withdrawn from the Foreign Liquor Shops. For selling the Bangalore Bottled Beer however, separate shops may be allowed, one for each of the Bangalore and Mysore Cities and Kolar Gold Fields if deemed necessary.

2. If Government approve of this, very early orders may be issued and a draft Notification for the disposal of such shops will be submitted for approval.

I have the honor to be,

Sir,

Your most obedient servant

for Excise Commissioner.

"Tidy Draft" as approved by the Second Counsellor & Secretary

Pol DO 20.119 Enclos: Nil
8.8.13.

(12)

Signed by Mr. K. R. Seminasaccingar —.

General and Revenue Secretariat.

Bangalore 8th ~~July~~ 1913.

My dear Mr. Warburton,

~~Please~~ kindly refer to your D.O. letter No. 2149 dated the 5th April 1913, requesting ~~some~~ further information regarding the subject of the treatment of European and country bottled beer.

2. With regard to the first point raised in your letter ~~to the effect~~ that the system of surcharge has not been abandoned, I may explain that the remarks contained in para 2 of the late Dewan's D.O. letter No. 758 dated the 28th August 1912 had special reference only to the English draught beer imported by the English beer tavern in the Kolar Gold Fields and not to ~~the small quantity of~~ foreign beer in bottles sold by the licensees of Foreign Liquor Shops. This latter class of beer was not brought under the operation of the change effected in 191(

by the substitution of import duty for the old surcharge; but continued to be governed by the ordinary Rules of surcharge applicable to foreign liquor licenses.

3. As regards the second point, there is no doubt some difference as pointed out by you in the treatment of the two classes of bottled beer, so far as Foreign Liquor Shops are concerned, the English beer sold in such shops being subject only to the payment of surcharge, and the country beer sold therein paying both duty and surcharge. The additional --- burden thus imposed on the country beer may, however, be regarded in a way, as being in lieu of an increase in license fee that might have been demanded from the Foreign Liquor Licensees for the privilege of selling this class of beer in these shops.

4. The Durbar have again considered the question as to how this difference which has been noticed in your letter may be done away with, and have come to the conclusion that the best and easiest course will be to withdraw the privilege of selling Bangalore beer

in bottles now allowed to the Foreign Liquor licensees and restrict the sale of such beer only to shops specially licensed for the purpose. This course will place both the classes of beer on an equal footing; and no reasonable objection can be taken to it by either the licensees of Foreign Liquor shops to whom this concession has hitherto been allowed without any extra fee, or the brewers of country beer who cannot claim, as a matter of right, that their beer should be allowed to be sold in shops licensed for selling foreign liquor alone. Accordingly, the Excise Commissioner has been requested to bring this arrangement into force from the 1st July 1913.

5. I may also add that, as indicated in the last para of the late Dewan's D.O. letter dated the 28th August 1912, the duty of 2 annas, 1½ pies hitherto levied on English draught beer has been ordered to be replaced, with effect from 1st July 1913, by an excess sale fee of Rs.30 on every 250 gallons or any portion

4

portion thereof in excessof 500 gallons.

B.V.

States that the concession refused may be withdrawn & separate shops may be allowed one each for the Bangalore and Ulsoor cities and the Kolar gold fields if deemed necessary.

7. The P. A. Resident in Mysore

No 119 dated 8 8-13

States that the privilege of selling bottled beer has been withdrawn in the case of foreign liquor licensees and that same has been restricted to certain shops specially licensed and that the Excise Commr has been directed to bring this arrangement into force from 1-7-13